



(Original Signature of Member)

110TH CONGRESS
2D SESSION

H. R. 5818

To authorize the Secretary of Housing and Urban Development to make loans to States to acquire foreclosed housing and to make grants to States for related costs.

IN THE HOUSE OF REPRESENTATIVES

Ms. WATERS (for herself, Mr. FRANK of Massachusetts, Mrs. MALONEY of New York, Mr. WATT, Mr. MAHONEY of Florida, Ms. VELÁZQUEZ, Mr. AL GREEN of Texas, Mr. GUTIERREZ, Mr. LYNCH, Mr. CARSON, Mr. ELLISON, and Mr. CLAY) introduced the following bill; which was referred to the Committee on _____

A BILL

To authorize the Secretary of Housing and Urban Development to make loans to States to acquire foreclosed housing and to make grants to States for related costs.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Neighborhood Sta-
5 bilization Act of 2008".

1 **SEC. 2. CONGRESSIONAL PURPOSES.**

2 The purposes of this Act are—

3 (1) to establish a loan and grant program ad-
4 ministered by the Department of Housing and
5 Urban Development to help States purchase and re-
6 habilitate owner-vacated, foreclosed homes with the
7 goal of stabilizing and occupying them as soon as
8 possible, either through resale or rental to qualified
9 families;

10 (2) to distribute these loans and grants to areas
11 with the highest foreclosure levels;

12 (3) to provide incentives for States to use the
13 funds to stabilize as many properties as possible;
14 and

15 (4) to provide housing for low- and moderate-
16 income families, especially those that have lost
17 homes to foreclosure.

18 **SEC. 3. LOANS AND GRANTS TO STATES.**

19 The Secretary of Housing and Urban Development
20 shall, subject to the availability of amounts under section
21 12, make grants under section 5(a) to qualified States and
22 make loans under section 6 in accordance with the ap-
23 proved plans of qualified States, for use to carry out eligi-
24 ble housing stimulus activities under section 7.

1 **SEC. 4. QUALIFIED PLANS.**

2 (a) IN GENERAL.—The Secretary may make a grant
3 under this Act only to a State, and may allocate a loan
4 authority amount under this Act only for a State, that
5 has submitted to the Secretary a plan that meets the re-
6 quirements under this section and has been approved
7 under this section.

8 (b) CONTENTS.—A plan under this section for a
9 State shall—

10 (1) designate a State housing finance agency,
11 or other agency, department, or entity of the State,
12 or any other designee, as the State administrator to
13 act on behalf of the State for purposes of this Act;

14 (2) describe the housing stimulus activities
15 under section 7 to be carried out with assistance
16 under this Act for the State by the entities identified
17 pursuant to paragraph (1) of this subsection;

18 (3) describe how such activities will help restore
19 or improve the viability of neighborhoods by pro-
20 viding for purchase or occupancy of qualified fore-
21 closed properties as soon as practicable and in a
22 manner that will facilitate repayment of the loans
23 provided under this Act for carrying out such activi-
24 ties;

1 (4) set forth the procedures that the State will
2 use to allocate grant and loan amounts and monitor
3 for compliance with the requirements of section 7;

4 (5) provide that grant and loan amounts pro-
5 vided under this Act for the State will be used only
6 for eligible housing stimulus activities under section
7 7 that are eligible under such section for assistance
8 with grant or loan amounts, as applicable;

9 (6) provide preference for activities that serve
10 the lowest income families, who otherwise meet the
11 income requirements under section 7, for the longest
12 period and homeowners, who otherwise meet such in-
13 come requirements, whose mortgages have been fore-
14 closed;

15 (7) describe any other preferences the State
16 may establish, such as housing for school teachers,
17 veterans, workforce, or homeless persons;

18 (8) provide for obligation and outlay of grant
19 amounts, and for loan commitments and disburse-
20 ment, in accordance with the requirements under
21 section 9; and

22 (9) in the case of any grant or loan amounts,
23 that will be invested with the possibility of a return
24 on investment, provide for use of any return on such

1 investment only for one or more eligible housing
2 stimulus activities under section 7.

3 (c) SUBMISSION.—

4 (1) IN GENERAL.—The Secretary shall provide
5 for States to submit plans under this section to the
6 Secretary and shall establish requirements for the
7 contents and form of such plans. Except in the case
8 of plan resubmitted pursuant to subsection (d)(3),
9 the Secretary may not accept or consider a plan un-
10 less the plan is submitted to the Secretary before the
11 expiration of the 30-day period beginning upon the
12 date of the enactment of this Act.

13 (2) PUBLIC APPROVAL.—A State may not sub-
14 mit a plan to the Secretary unless the plan is ap-
15 proved by the governor of the State after a public
16 hearing on the plan held pursuant to reasonable
17 public notice.

18 (d) REVIEW AND APPROVAL.—

19 (1) TIMING.—The Secretary shall review, and
20 approve or disapprove, each plan submitted or resub-
21 mitted pursuant to paragraph (3) in compliance with
22 the requirements established under this section be-
23 fore the expiration of the 15-day period beginning
24 upon the submission of the plan. If the Secretary
25 does not approve or disapprove a plan that is sub-

1 mitted or resubmitted in accordance with the re-
2 quirements under this section before the expiration
3 of such 15-day period and notify the State of such
4 approval or disapproval, the plan shall be considered
5 approved for purposes of this section.

6 (2) STANDARD FOR DISAPPROVAL.—The Sec-
7 retary may disapprove a plan only if the plan fails
8 to comply with the requirements of this Act.

9 (3) RESUBMISSION.—If the Secretary dis-
10 approves the plan of a State, the Secretary shall
11 submit to the State the reasons for the disapproval,
12 and the State may, during the 15-day period that
13 begins upon notification of such disapproval and the
14 reasons for such disapproval, submit to the Sec-
15 retary a revised plan for review and approval in ac-
16 cordance with this subsection.

17 **SEC. 5. ALLOCATION OF AMOUNTS.**

18 (a) GRANTS.—From the total amount made available
19 under section 12(a) for grants under this Act, the Sec-
20 retary shall make a grant to each qualified State in the
21 grant amount determined under subsection (c) of this sec-
22 tion for the qualified State.

23 (b) LOANS.—From the aggregate amount of author-
24 ity for the outstanding principal balance of loans made
25 under this Act pursuant to section 12(b)(1), the Secretary

1 shall allocate such authority for loans under this Act for
2 each qualified State in the loan authority amount deter-
3 mined under subsection (c) of this section for the qualified
4 State.

5 (c) GRANT AMOUNTS AND LOAN AUTHORITY
6 AMOUNTS.—The grant amount or loan authority amount
7 for a qualified State shall be the foreclosure grant share
8 or foreclosure loan share, respectively, for the State deter-
9 mined under subsection (d), as such share is adjusted in
10 accordance with an index established or selected by the
11 Secretary to account for differences between qualified
12 States in the median price of single family housing in such
13 States.

14 (d) FORECLOSURE SHARES.—For purposes of this
15 section:

16 (1) GRANT SHARE.—The foreclosure grant
17 share for a qualified State shall be the amount that
18 bears the same ratio to the total amount made avail-
19 able under section 12(a) as the number of fore-
20 closures on mortgages for single family housing oc-
21 ccurring in such State during the most recently com-
22 pleted four calendar quarters for which such infor-
23 mation is available, as determined by the Secretary,
24 bears to the aggregate number of such foreclosures

1 occurring in all qualified States during such cal-
2 endar quarters.

3 (2) LOAN SHARE.—The foreclosure loan share
4 for a qualified State shall be the amount that bears
5 the same ratio to the aggregate amount of the prin-
6 cipal balance of loans that may be outstanding at
7 any time under this Act pursuant to section 12(b)(1)
8 as the number of foreclosures on mortgages for sin-
9 gle family housing occurring in such State during
10 the most recently completed four calendar quarters
11 for which such information is available, as deter-
12 mined by the Secretary, bears to the aggregate num-
13 ber of such foreclosures occurring in all qualified
14 States during such calendar quarters.

15 (e) DISTRIBUTION OF FULL AMOUNT.—The Sec-
16 retary shall establish the index referred to in subsection
17 (c) and the grant and loan authority amounts for the
18 qualified States in a manner that provides that—

19 (1) the aggregate of the grant amounts for all
20 qualified States is equal to the total amount made
21 available under section 12(a); and

22 (2) the aggregate of the loan authority amounts
23 for all qualified States is equal to the aggregate
24 amount of authority for the outstanding principal

1 balance of all loans made under this Act pursuant
2 to section 12(b)(1).

3 (f) REQUIREMENT TO ALLOCATE TO QUALIFIED
4 METROPOLITAN CITIES.—Of any grant amounts and loan
5 authority amounts allocated pursuant to this section for
6 a State, such State shall allocate for each qualified metro-
7 politan city located in such State a portion of such grant
8 amounts and such loan authority amounts that bears the
9 same ratio to such grant amounts and loan authority
10 amounts, respectively, allocated for the State as the num-
11 ber of foreclosures on mortgages for single family housing
12 occurring in such qualified metropolitan city during the
13 most recently completed four calendar quarters for which
14 such information is available, as determined by the Sec-
15 retary, bears to the aggregate number of such foreclosures
16 occurring in the State during such calendar quarters. A
17 State may adjust such allocation to account for differences
18 between median single family housing prices in the State
19 and in qualified metropolitan cities in the State.

20 **SEC. 6. LOANS.**

21 (a) REQUIREMENT OF LOAN AUTHORITY AMOUNT.—
22 The Secretary may make a loan under this Act for use
23 in a qualified State only to the extent and in such amounts
24 that loan authority amounts for such State are available.

1 (b) REVOLVING AVAILABILITY OF LOAN AUTHORITY

2 AMOUNT.—The loan authority amount allocated for each
3 qualified State shall—

4 (1) upon the Secretary entering into a binding
5 commitment to make a loan under this Act for use
6 in such State, be decreased by the amount of the
7 principal obligation of such loan; and

8 (2) upon the repayment to the Secretary by any
9 borrower of any principal amounts borrowed under
10 a loan this Act for use in such State, be increased
11 by the amount of principal repaid.

12 (c) ASSISTED ENTITIES.—The loan authority amount
13 of a qualified State may be used under section 7(a) to
14 provide a loan for the purchase or finance the purchase
15 of qualified foreclosed housing by—

16 (1) the State;

17 (2) a unit of local government or a local govern-
18 mental entity; or

19 (3) a nonprofit organization.

20 (d) LOAN TERMS.—Each loan provided under this
21 Act from the loan authority amount of a qualified State
22 shall—

23 (1) bear no interest;

24 (2) have a term to maturity of—

1 (A) 2 years, in the case of any loan made
2 to purchase or finance the purchase of qualified
3 foreclosed housing for use under section 7(a)(1)
4 for homeownership; and

5 (B) 5 years, in the case of any loan made
6 to purchase or finance the purchase of qualified
7 foreclosed housing for use under section 7(a)(2)
8 for rental;

9 (3) not provide for amortization of the principal
10 obligation of the loan during such term;

11 (4) require payment of the original principal ob-
12 ligation under the loan only upon the expiration of
13 the term of the loan; and

14 (5) have such other terms and conditions as the
15 Secretary may provide.

16 (e) PROCEDURE.—Upon a request, by a State admin-
17 istrator, for a loan under this Act from the loan authority
18 amount of the qualified State for which such adminis-
19 trator acts, the Secretary shall enter into a loan agreement
20 as the Secretary determines appropriate with the borrower
21 under the loan and shall disburse the loan amount in ac-
22 cordance with such terms, subject only to the absence of
23 sufficient loan authority amount for the State.

24 (f) ELIGIBILITY FOR REPEAT LENDING.—A loan
25 under this Act may be made to an entity that has pre-

1 viously borrowed amounts under a loan under this Act
2 only if such entity has repaid 95 percent or more of the
3 amounts due, including principal and interest, under all
4 previous such loans.

5 (g) SUNSET.—The Secretary may not enter into any
6 commitment to make a loan under this Act, or make any
7 such loan, after the expiration of the 24-month period be-
8 ginning on the date of the enactment of this Act.

9 **SEC. 7. ELIGIBLE HOUSING STIMULUS ACTIVITIES.**

10 (a) LOAN AMOUNTS.—Amounts provided under a
11 loan under this Act for a qualified State shall be used,
12 in accordance with the approved plan of such State, only
13 for the following activities:

14 (1) HOMEOWNERSHIP HOUSING PROVISION.—

15 To purchase or finance the purchase of qualified
16 foreclosed housing for resale as housing for home-
17 ownership to families having incomes that do not ex-
18 ceed 140 percent of the median income for the area
19 in which the housing is located.

20 (2) RENTAL HOUSING PROVISION.—To pur-
21 chase or finance the purchase of qualified foreclosed
22 housing for use only as rental housing, subject to
23 the following requirements:

24 (A) QUALIFIED TENANTS.—All dwelling
25 units in the housing purchased or financed

1 using any loan amounts shall be available for
2 rental only by families whose incomes do not
3 exceed 100 percent of the median income for
4 the area in which the housing is located.

5 (B) RENTS.—Rents for each dwelling unit
6 in the housing purchase or financed using any
7 loan amounts shall be established at amounts
8 that do not exceed market rents for comparable
9 dwelling units located in the area in which the
10 housing is located and in accordance with such
11 requirements as the Secretary shall establish to
12 ensure that rents are established in a fair, ob-
13 jective, and arms-length manner.

14 (3) HOUSING REHABILITATION.—To rehabili-
15 tate qualified foreclosed housing acquired with as-
16 sistance provided pursuant to this subsection, to the
17 extent necessary to comply with applicable laws,
18 codes, and other requirements relating to housing
19 safety, quality, and habitability, for the purpose of
20 reselling the housing, to the extent possible, during
21 the 3-month period that begins upon completion of
22 rehabilitation and at a price that is as close as pos-
23 sible to the acquisition price of the housing.

24 (b) GRANT AMOUNTS.—Grant amounts provided
25 under this Act to a qualified State shall be used, in accord-

1 ance with the approved plan of such State, only for the
2 following activities:

3 (1) OPERATING AND HOLDING COSTS.—For
4 costs of holding and operating qualified foreclosed
5 housing acquired pursuant to subsection (a), includ-
6 ing costs of management, taxes, handling, insurance,
7 and other related costs.

8 (2) COSTS RELATING TO PROPERTY ACQUI-
9 TION.—For costs relating to acquisition of qualified
10 foreclosed housing pursuant to subsection (a), in-
11 cluding reasonable closing costs.

12 (3) ADMINISTRATIVE COSTS.—For administra-
13 tive and planning costs of the State in administering
14 loan authority amounts and grant amounts under
15 this Act, except that the amount of grant amounts
16 provided under this Act to a State that may be used
17 under this paragraph shall not exceed the amount
18 equal to 4 percent of the sum of the grants amounts
19 provided to the State pursuant to section 5(a) and
20 the loan authority amount allocated to the State
21 pursuant to section 5(b).

22 (c) PROHIBITED USES.—The Secretary shall, by reg-
23 ulation, set forth prohibited uses of grant or loan amounts
24 under this Act, which shall include use for—

25 (1) political activities;

- 1 (2) advocacy;
- 2 (3) lobbying, whether directly or through other
- 3 parties;
- 4 (4) counseling services;
- 5 (5) travel expenses; and
- 6 (6) preparing or providing advice on tax re-
- 7 turns.

8 (d) INCOME TARGETING REQUIREMENT.—

9 (1) VERY LOW-INCOME FAMILIES.—Not less
10 than 50 percent of the total grant amounts a State
11 or qualified metropolitan city makes available under
12 this Act shall be used for activities under subsection
13 (b) in connection with providing housing for families
14 whose incomes do not exceed 50 percent of the me-
15 dian income for the area in which the housing is lo-
16 cated.

17 (2) EXTREMELY LOW-INCOME FAMILIES.—Not
18 less than 50 percent of the total grant amounts a
19 State or qualified metropolitan city makes available
20 under paragraph (1) shall be used for activities
21 under subsection (b) in connection with providing
22 housing for families whose incomes do not exceed 30
23 percent of the median income for the area in which
24 the housing is located.

1 (3) WAIVER.—The Secretary may waive the re-
2 quirement under paragraph (2) with respect to a
3 State or qualified metropolitan city if such State or
4 city demonstrates to the satisfaction of the Secretary
5 that it has attempted to, but can not comply with,
6 such requirement.

7 (e) SECURITY.—The Secretary shall retain a lien on
8 any qualified foreclosed housing purchased or financed
9 with a loan under this section in the amount of the prin-
10 cipal obligation under the loan and interest due under the
11 loan.

12 (f) QUALIFIED HOMEOWNERS.—This Act may not be
13 construed to prevent the resale of qualified foreclosed
14 housing to a prior owner or occupant of such housing who
15 meets the income requirements of this Act.

16 (g) VOUCHER NONDISCRIMINATION.—A recipient of
17 amounts from a loan or grant under this Act may not
18 refuse to lease a dwelling unit in housing assisted with
19 any such loan or grant amounts to a holder of a voucher
20 or certificate of eligibility under section 8 of the United
21 States Housing Act of 1937 (42 U.S.C. 1437f) because
22 of the status of the prospective tenant as such a holder.

23 (h) EFFECT OF FORECLOSURE ON PREEXISTING
24 LEASE.—

1 (2) IN GENERAL.—In the case of any fore-
2 closure on any dwelling or residential real property
3 acquired with any amounts made available under
4 this Act, any successor in interest in such property
5 pursuant to the foreclosure shall assume such inter-
6 est subject to—

7 (A) the provision, by the successor in inter-
8 est, of a notice to vacate to any bona fide ten-
9 ant at least 90 days before the effective date of
10 the notice to vacate; and

11 (B) the rights of any bona fide tenant, as
12 of the date of such notice of foreclosure—

13 (i) under any bona fide lease entered
14 into before the notice of foreclosure to oc-
15 cupy the premises until the end of the re-
16 maining term of the lease or the end of the
17 6-month period beginning on the date of
18 the notice of foreclosure , whichever occurs
19 first, subject to the receipt by the tenant
20 of the 90-day notice under subparagraph
21 (A); or

22 (ii) without a lease or with a lease ter-
23 minable at will under State law, subject to
24 the receipt by the tenant of the 90-day no-
25 tice under subparagraph (A), except that

1 nothing under this subparagraph shall af-
2 fect the requirements for termination of
3 any federally subsidized tenancy.

4 (3) BONA FIDE LEASE OR TENANCY.—For pur-
5 poses of this section, a lease or tenancy shall be con-
6 sidered bona fide only if—

7 (A) the mortgagor under the contract is
8 not the tenant;

9 (B) the lease or tenancy was the result of
10 an arms-length transaction; or

11 (C) the lease or tenancy requires the re-
12 ceipt of rent that is not substantially less than
13 fair market rent for the property.

14 **SEC. 8. SHARED APPRECIATION AGREEMENT.**

15 Notwithstanding any other provision of this Act, no
16 amounts from a loan or grant under this Act may be used
17 under section 7 for any qualified foreclosed housing unless
18 such binding agreements are entered into, in accordance
19 with such requirements as the Secretary shall establish,
20 that ensure that the Federal Government shall, upon any
21 sale or disposition of the qualified foreclosed housing by
22 the owner who acquires the housing pursuant to assistance
23 under this Act, receive an amount equal to 20 percent of
24 the difference between the net proceeds from such sale or
25 disposition and the cost of such acquisition of the housing

1 pursuant to assistance under this Act, after deductions for
2 expenditures paid or incurred after the date of such acqui-
3 sition that are properly chargeable to capital account
4 (within the meaning of section 1016 of the Internal Rev-
5 enue Code of 1986) with respect to such housing.

6 **SEC. 9. SPENDING REQUIREMENTS.**

7 (a) IN GENERAL.—Each qualified State that receives
8 a grant under this Act or is allocated loan authority
9 amounts under this Act pursuant to section 5(b) shall—

10 (1) commence obligation of such grant amounts
11 and commitment of such loan authority amounts not
12 later than the expiration of the 45-day period that
13 begins upon approval of the approved plan of State;
14 and

15 (2) obligate all such grant amounts and enter
16 into commitments for all such loan authority
17 amounts not later than the expiration of the 180-day
18 period beginning upon such approval; and

19 (3) except as provided in subsection (b), outlay
20 all such grant amounts and disburse all such loan
21 authority amounts not later than the 12-month pe-
22 riod that begins upon such approval.

23 This subsection shall not apply to loan authority amounts
24 of a qualified State attributable, pursuant to section

1 6(b)(2), to repayment of principal amounts of loans under
2 this Act.

3 (b) EXCEPTION TO SPENDING REQUIREMENT.—If a
4 State in good faith makes a request, in the plan submitted
5 to the Secretary pursuant to section 4 or otherwise after
6 approval of such plan, for extension of the period referred
7 to in paragraph (1), (2), or (3) of subsection (a) of this
8 section, the Secretary may extend the period for not more
9 than 3 months.

10 **SEC. 10. ACCOUNTABILITY.**

11 (a) REPORTING.—Each qualified State that receives
12 a grant or allocation of loan authority amount under this
13 Act shall submit a report to the Secretary, not later than
14 the expiration of the 12-month period beginning upon the
15 approval of the qualified plan by the Secretary, regarding
16 use of such amounts which shall contain such information
17 as the Secretary shall require.

18 (b) MISUSE OF AMOUNTS.—If the Secretary deter-
19 mines that any amounts from a grant or loan under this
20 Act for a qualified State has been used in a manner that
21 is materially in violation of this Act, any regulations issued
22 under this Act, or any requirements or conditions under
23 which such amounts were provided, the Secretary shall re-
24 quire the State to reimburse the Treasury of the United
25 States in the amount of any such misused funds.

1 **SEC. 11. DEFINITIONS.**

2 For purposes of this Act, the following definitions
3 shall apply:

4 (1) **APPROVED PLAN.**—The term “approved
5 plan” means a plan of a State that has been ap-
6 proved pursuant to section 4.

7 (2) **COVERED MULTIFAMILY HOUSING.**—The
8 term “covered multifamily housing” means a resi-
9 dential structure that—

10 (A) consists of 20 or fewer dwelling units;

11 and

12 (B) is predominantly vacant.

13 (3) **LOAN AUTHORITY AMOUNT.**—The term
14 “loan authority amount” means, with respect to a
15 qualified State, the amount of loan authority avail-
16 able pursuant to section 12(b)(1) that is allocated
17 for the State pursuant to section 5(b), as such
18 amount may be increased or decreased pursuant to
19 section 6(b).

20 (4) **NONPROFIT ORGANIZATION.**—The term
21 “nonprofit organization” has the meaning given
22 such term in section 104 of the Cranston-Gonzalez
23 National Affordable Housing Act (42 U.S.C.
24 12704).

1 (5) QUALIFIED FORECLOSED HOUSING.—The
2 term “qualified foreclosed housing” means housing
3 that—

4 (A)(i) is single family housing that is not
5 occupied or vacated by an owner, pursuant to
6 foreclosure or assignment of the mortgage on
7 the housing or forfeiture of the housing; or

8 (ii) is covered multifamily housing;

9 (B) is owned by a lender, mortgage com-
10 pany, investor, financial institution, or other
11 such entity, or any government entity, pursuant
12 to foreclosure or assignment of the mortgage on
13 the housing or forfeiture of the housing; and

14 (C) has a purchase price—

15 (i) in the case of single family hous-
16 ing, that does not exceed 90 percent of the
17 average purchase price for single family
18 housing in the area in which the housing
19 is located, as determined by the Secretary.

20 (ii) in the case of covered multifamily
21 housing, that does not exceed the dollar
22 amount limitation, for housing of the ap-
23 plicable size located in the area in which
24 the housing is located, on the amount of a
25 principal obligation of a mortgage eligible

1 for insurance under section 207 of the Na-
2 tional Housing Act (12 U.S.C. 1713), as in
3 effect on the date of the enactment of this
4 Act pursuant to such section 207(c)(3)(A)
5 and section 206A of such Act (12 U.S.C.
6 1712a).

7 (6) QUALIFIED METROPOLITAN CITY.—The
8 term “qualified metropolitan city” means an incor-
9 porated place that is among the 25 most populous
10 incorporated places in the United States, as deter-
11 mined according to data from the most recent decen-
12 nial census that is published before the date of the
13 enactment of this Act.

14 (7) QUALIFIED STATE.—The term “qualified
15 State” means a State for which there is an approved
16 plan.

17 (8) SECRETARY.—The term “Secretary” means
18 the Secretary of Housing and Urban Development.

19 (9) SINGLE FAMILY HOUSING.—The term “sin-
20 gle family housing” means a residential structure
21 consisting of from one to four dwelling units.

22 (10) STATE.—The term “State” means any
23 State of the United States, the District of Columbia,
24 the Commonwealth of Puerto Rico, the Common-
25 wealth of the Northern Mariana Islands, Guam, the

1 Virgin Islands, American Samoa, and other territory
2 or possession of the United States.

3 (11) STATE ADMINISTRATOR.—The term “State
4 administrator” means the entity of a qualified State
5 that is designated, pursuant to section 4(b)(1), in
6 the approved plan of the State to act for the State
7 for purposes of this Act.

8 **SEC. 12. FUNDING.**

9 (a) GRANTS.—There is authorized to be appropriated
10 to the Secretary of the Treasury \$7,500,000,000 for
11 grants under this Act.

12 (b) DIRECT LOANS.—

13 (1) LOAN COMMITMENT AUTHORITY LIMITA-
14 TION.—Subject only to the availability of sufficient
15 amounts for the costs (as such term is defined in
16 section 502 of the Federal Credit Reform Act of
17 1990 (2 U.S.C. 661a)) of such loans and the ab-
18 sence of qualified requests for loans, the Secretary
19 shall enter into commitments to make loans under
20 this Act, and shall make such loans, in an amount
21 such that the aggregate outstanding principal bal-
22 ance of such loans does not at any time exceed
23 \$7,500,000,000.

24 (2) AUTHORIZATION OF APPROPRIATIONS FOR
25 COSTS.—There is authorized to be appropriated such

1 sums as may be necessary for costs (as such term
2 is defined in section 502 of the Federal Credit Re-
3 form Act of 1990 (2 U.S.C. 661a)) of loans under
4 this Act.

5 **SEC. 13. REGULATIONS AND IMPLEMENTATION.**

6 (a) REGULATIONS.—The Secretary shall issue any
7 regulations necessary to carry out this Act.

8 (b) IMPLEMENTATION.—Pending the effectiveness of
9 regulations issued pursuant to subsection (a), the Sec-
10 retary shall take such action as may be necessary to imple-
11 ment this Act by notice, guidance, and interim rules.